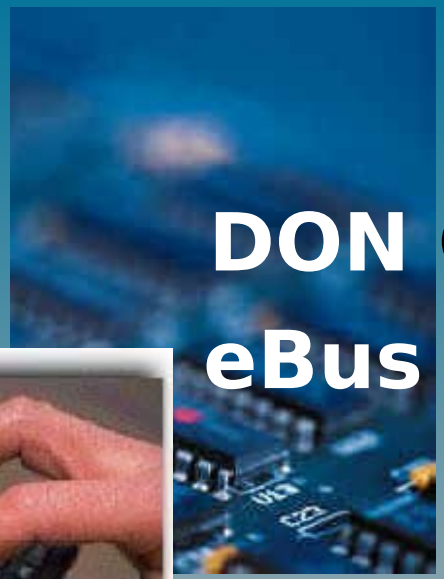


DON Card Management
eBusiness Innovation

www.don-ebusiness.navsup.navy.mil

Management Control Conference
10 March 2004

CAPT Joseph Murphy
(717) 605-9397 DSN 430

Agenda

- Office Mission - Innovation & Card Management
- Financial Cards
  - Program structure
  - Roles and responsibilities
  - Continuous improvement
- Take aways

Financial Cards

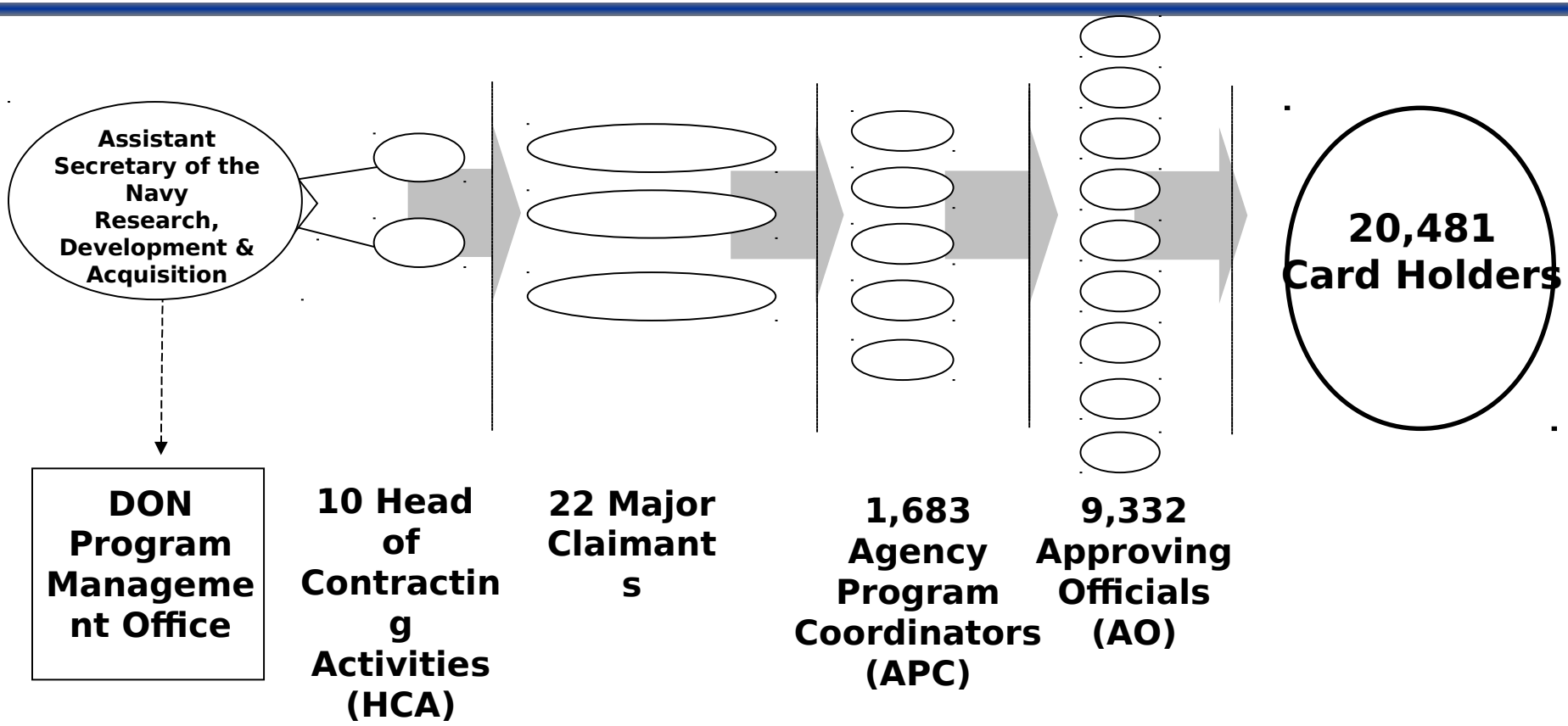
Purchase Card

- Used for micro purchases (under $2500) and method of payment
- Streamlines small purchase methods and payment processes; minimizes paperwork; simplifies admin efforts
- ***Government liability/pay***
- ***20,481 Cardholders***
- ***$1.8B Annual Dollar Volume***

Travel Card

- Used for official Government travel
- Lodging, rental cars, meals and incidental expenses (authorized expenses)
- Relieves burden of cash advances
- Mission readiness of employees
- ***Individual liability/pay***
- ***209,166 Cardholders***
- ***$475M Annual Dollar Volume***

Program Structure … Purchase Card


Assistant Secretary of the Navy Research, Development & Acquisition
DON Program Management Office
10 Head of Contracting Activities (HCA)
22 Major Claimants
1,683 Agency Program Coordinators (APC)
9,332 Approving Officials (AO)
20,481 Card Holders

Changes in Alignment 1 OCT 03 w/Standup of CNI

Program Structure … Travel Card

Assistant Secretary of the Navy
Financial Management &
Comptroller

DON
Program
Management
Office

23 Major
Claimants

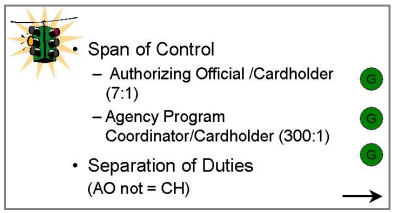
4668 Agency
Program
Coordinators

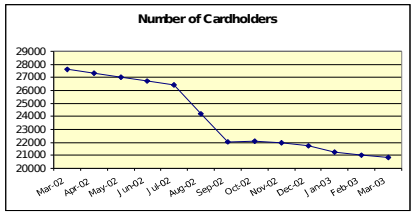
209,166
Card Holders

Roles & Responsibilities … Purchase Card

Component Program Manager

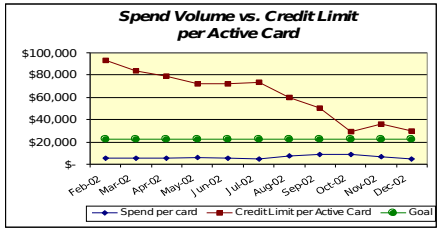
- Oversight
- Audits
- Metrics
- Bank Interface

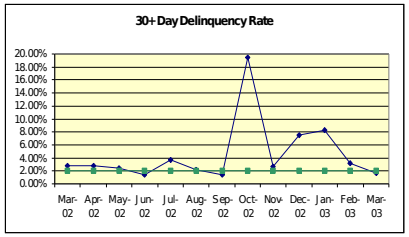

Span of Control
– Authorizing Official /Cardholder (7:1)
– Agency Program Coordinator/Cardholder (300:1)
Separation of Duties (AO not = CH)



Operations (day-to-day)

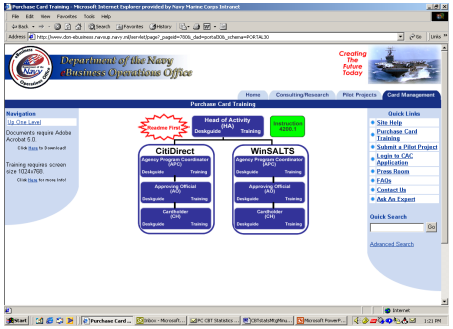
- Assist APC's
- Help Desk
- Fraud & delinquency





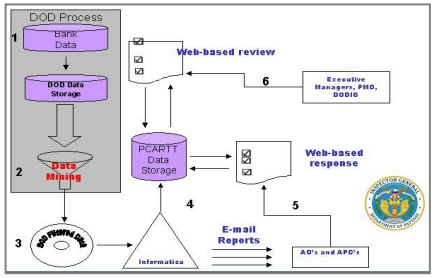
Guidance & Training (role based)

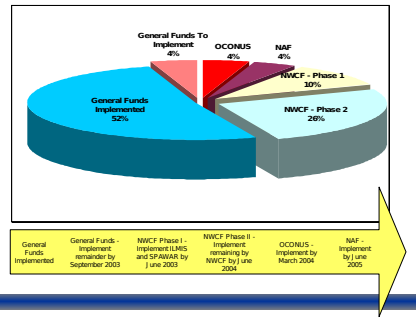
- Computer based training
- Video Tele-training
- Desk guides



Continuous Improvement

- 100% electronic certification
- ARROW – Automated Review & Response Oversight Wizard




General Funds To Implement 4%
OCONUS 4%
NAF 4%
NWCF - Phase 1 30%
NWCF - Phase 2 26%
General Funds Implemented 52%
General Funds Implemented
General Funds - Implement remainder by September 2003
NWCF Phase I - Implement ILMS and SPAWAR by June 2003
NWCF Phase II - Implement remaining by NWCF by June 2004
OCONUS - Implement by March 2004
NAF - Implement by June 2005

Continuous Improvement … Purchase Card

GAO Finding:	Corrective Actions:
• Outdated / vague guidance	• *2nd Complete Instruction rewrite* ***SEP*** • *DON User Conferences* • *Serialized updates and notices*
• Lack of documented training	• *Role-based training suite (computer based training, video tele-training, deskguides)* ***New CD 30 SEP 03***
• Lack of effective internal controls	• *Span of control: AO ≤ 7:1, APC ≤ 300* • *Separation of functions: AO ≠ CH* • *Credit Limit ≤ 120% max monthly spend*
• Maximize rebates	• *Deploy bank software* • *Reduce hard copy billing* • *Monitor turn around time*
• Excessive # of cardholders	• *Mission need: continuing need to purchase goods/services*

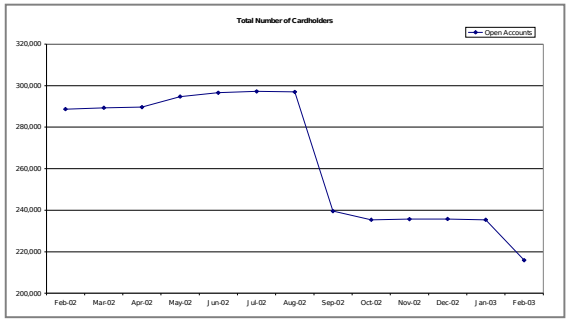
FAR, Part 13/DFARS, Part 213

DOD FMR Vol. 5, Ch. 33

Roles & Responsibilities … Travel Card

Component Program Manager

- Oversight
- Audits
- Metrics
- Bank Interface



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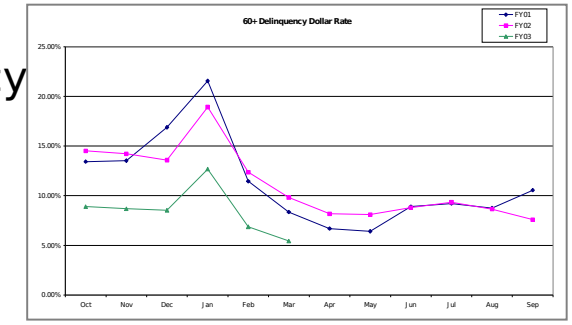
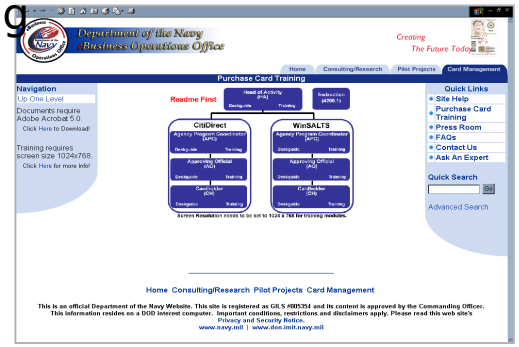


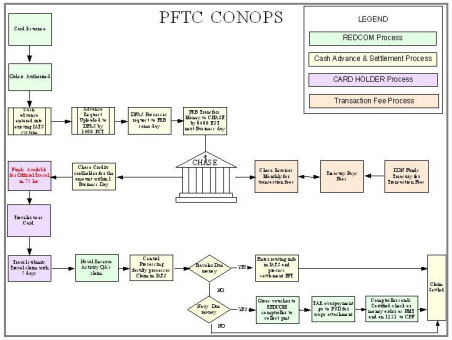
Guidance & Training (role based)

- Computer based training
- Video Tele-training
- Desk guides



Continuous Improvement

- Pre Funded Travel Card
- Travel Card Automated review of transaction s tool (TCARTT)



Continuous Improvement … Travel Card

GAO Finding:	Corrective Actions:
• Excessive # of Cardholders	• *Reduced by 26%*
• Lack of effective internal controls	• *Activate cards only when needed* • *Track member payment performance* • *Enforce collections*
• Lack of documented training	• *Role based training suite (computer based training, video tele-training, deskguides*
• Voucher and payment process	• *Supervisory review of all travel claims*

TTRA 1998 (PL 105-264)

DOD FMR Vol. 9, Ch. 3

Delinquency Timeline

17th of month: GTCC Statement Cycles

Account Delinquent
30 Days

Account Delinquent
60 Days
Account Suspended

Account DelinquenT
75 Days
Late Fees Apply

Account Delinquent
90 Days
Due Process
Notification Letter

Account Delinquent
120 Days
Account Cancelled
Salary Offset Begins

Enforcing Split Disbursement prevents the slide into delinquency!

eBUSOPSOFF Communications/Tools

- **Communications**
  - Monthly teleconference with Level 3 APCs
  - Serialized notices sent by e-mail
    - Travel Card Periodic Notices (TCPN)
    - Purchase Card Periodic Notices (PCPN)
  - Serialized Naval Messages for program updates
  - Annual APC conference
- **Tools**
  - Instructions
    - Travel Card – EBUSOPOFFINST 4650.1A
    - Purchase Card - EBUSOPOFFINST 4200.1A
    - Fleet Card – Work in Progress
  - Desk Guides
  - Role Based Training
    - Video Teletraining
    - Downloadable from website
    - CD-Rom

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We centralize DON card program management providing consistent oversight and guidance for improved customer-centric operations.

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CAC Afloat Issuance Statistics
19 DEC 03

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Privacy and Security Notice

Last Updated: 17 DEC 03

Take Aways

- TRAVEL CARD
  - Command Support & Involvement is Vital: *Support Your APC !*
  - Require Periodic APC reports or briefings (suggest min of Quarterly)
  - Cards Required only for Frequent travelers, Optional for Infrequent
  - Delinquency #1 Problem: Greatest in E1-E6, ATM Cash Withdrawal
  - Misuse/Abuse is #2: Not for Personal Use, Only on Official Travel

- PURCHASE CARD
  - Perceived Misuse/Abuse is #1 Problem!
  - # Cards Based Upon “Mission Requirement”
  - Credit Limits Based Upon Historical Spend and Budget
  - AO Oversight of Cardholders Critical to Success!

- FLEET CARD

TAKE DISCIPLINARY ACTION WHEN APPROPRIATE!

Take Aways

- ONGOING OVERSIGHT

- GAO AUDITS
  - Purchase Card Contracting
  - Travel Card - CBA
- NAVAL AUDIT
  - NAVSUP
  - USMC
- SENIOR CIVILIAN LEADERSHIP
- CONGRESS

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•	Don Rhoad (Policy)	X3041
	– Donald.Rhoad@navy.mil	
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	– Wendy.Stutzman@navy.mil	
•	Ross Reeves (Delinquency/Fleet)	X3107
	– Ross.Reeves@navy.mil	
•	Alanna Martin (Audit/Fraud)	X3880
	– Alanna.Martin@navy.mil	
•	Kirk Stevens (CitiBank Enhancement Fund)	X3131
	– Kirk.Stevens@navy.mil	

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	– Beverly.Kuhn@navy.mil	
•	Barbara Hepburn (IBA)	X9384
	– Barbara.hepburn@navy.mil	
•	Jim Knox (CBA/Unit)	X9386
	– James.e.knox@navy.mil	

travel_card@navsup.navy.mil

Fleet Card Contact Information

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•	David Raup	X3033
	– Beverly.Kuhn@navy.mil	

fleet_card@navsup.navy.mil